

# The Business Advocate

**A newsletter for State Contracting and Purchasing Officials, Small Business Advocates, Small Businesses & Disabled Veteran Business Enterprises**

## In this issue:

## eProcurement Comes to California

CAL-Buy is the State of California's new eProcurement system that automates the purchasing process, making it easier to buy and easier to sell.



What will CAL-Buy mean for California's suppliers, especially its small businesses and disabled veteran business enterprises (DVBEs)?

- More visibility to government buyers - *Buyers perform a simple word search to locate your product or service.*
- Faster, more consistent orders - *Orders are generated electronically and sent directly to your e-mail or fax.*
- Less reliance on paper catalogs - *You save money and time by not having to constantly reprint paper catalogs.*

CAL-Buy also gives government buyers the ability to easily verify if a business is certified as a small business and/or DVBE. Before adding an item to their CAL-Buy online shopping carts, buyers simply select a supplier information link to verify the supplier's status. In addition, users can now print out small business and DVBE reports from the CAL-Buy system, helping users track expenditures on a regular basis.

### What is CAL-Buy?

CAL-Buy is an Internet-based system that connects government buyers to a central search engine where they can search for the products they need and add them to their "shopping cart" with a simple click. Once the buyer has completed an order, internal approvers receive an e-mail alerting them of their required approval. When the order is ready to go to the supplier, CAL-Buy transmits it electronically either by e-mail or fax.

### How Do I Find Out More about eProcurement?

There is a lot to know about eProcurement. During the upcoming months, we will keep you updated here in "The Business Advocate" as well as in CAL-Buy's own newsletter, "CAL-Buy News."

We invite you to subscribe to "CAL-Buy News," an electronic newsletter designed to keep you on the forefront of eProcurement in the State of California. Learn more about what eProcurement means for you and your business.

Just go to [www.calbuy.ca.gov](http://www.calbuy.ca.gov) and click on "Subscribe!"

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As of July 2001, orders placed in the CAL-Buy system have totaled \$4 million. More than \$2.8 million (70%) of those orders have been placed with certified small businesses.

"California has a strong commitment to small business, and I'm happy to see that our buyers have been using CAL-Buy to purchase from certified small businesses."

- Terese Butler, CAL-Buy Project Mgr



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Running a successful business means making every dollar count, and cutting back on unnecessary energy use is an easy way to keep your hard-earned money working for you. These tips are designed to help you target your energy-saving efforts for maximum value and impact.

## Energy Saving Tips

### ...for the Office

#### Fast and Free...

- Turn up your thermostat to 78 degrees during business hours, and up to 85 degrees - or off - when your office is closed
- Reduce your lighting
- Be energy smart with office equipment
- Use shades and blinds

#### Inexpensive Energy Solutions...

- Install efficient lighting
- Use "smart" power strips
- Choose the smallest monitor

#### Good Energy Saving Investments...

- Retrofit lighting
- Weatherize buildings
- Buy **Energy Star**® products

## Disabled Veteran Business Enterprise (DVBE) Opportunities

Every year, the State of California contracts billions of dollars for goods and services. The DVBE Program helps qualified disabled veterans compete more effectively for a portion of those dollars.

State law set a goal to award at least three percent of the state's annual contract dollars to certified DVBEs. If you are a disabled veteran who owns and operates a business, we encourage you to apply to become a California certified DVBE.

For more information on DVBE certification, please contact the Office of Small Business Certification and Resources (OSBCR) at:

### Department of General Services Procurement Division, OSBCR

1531 "I" Street, 2<sup>nd</sup> Floor  
Sacramento, CA 95814

**24-Hour Information Request Line:** (916) 322-5060

**Receptionist:** (916) 323-5478

**Website:** [www.dgs.ca.gov/osbcr](http://www.dgs.ca.gov/osbcr)

For more information on locating DVBE contracting opportunities, please contact the Small Business Opportunity Program (SBOP) at (800) 559-5529 or (916) 445-5269.

## Disabled Veteran Business Enterprise (DVBE) Council

Aside from providing information regarding contracting opportunities for DVBEs, the Department of General Services, Procurement Division (PD), hosts a statewide DVBE Council. This council is comprised of representatives from DVBE Networks throughout the state as well as state department contacts. The issues the council addresses include the Good Faith Effort, current and proposed legislation, state agency participation and compliance, and supplier compliance. For questions regarding the DVBE Council, please contact Marty Sengo at (916) 323-6295 or Jim Collins at (916) 323-2223 of the Procurement Division.

# California Small Business Day

The first annual California Small Business Day, "A Salute to Small Business" took place on May 30, 2001, at the Sheraton Grand in Sacramento, California. This event was sponsored by many California organizations, Pacific Bell being the premier sponsor. California Small Business Day was held as a means of launching partnerships between California government agencies/departments and the small business community. In attendance were various California small businesses, small business advocates within the State of California, and many state legislators.

The program consisted of a morning session, luncheon, and an afternoon session. A visit with legislative leadership and key committee members on issues affecting small business owners took place during the morning session,

with "energy" as the key issue. The luncheon featured a keynote address delivered by Governor Gray Davis who discussed the energy crisis and his plans to help California overcome this energy emergency. Governor Gray Davis also announced the signing of Executive Order D-37-01, which establishes a 25% Small Business Participation Goal to ensure a fair proportion of the state's overall annual contract dollars are awarded to small businesses. In addition to Governor Gray Davis' keynote address, the luncheon featured co-authors of Assembly Bill (AB) 505 honoring small business leaders from their respective districts. A dialogue between government agencies and their small business liaisons and small business owners on forming partnerships and implementing AB 505 was held during the afternoon session.

Many California small business owners greatly benefited from California Small Business Day, one being Grace Honesto, small business owner of Catering By Grace, a family-owned business based in San Jose, California. She expressed her gratification of this event by stating, "I've never thought about expanding my business until after today. By picking up brochures from the various booths, I've realized that there are many people willing to help me, and I will be in touch with them. I am an inexperienced businessperson, but a good cook, and I have professional people to help me go forward, so I will go forward."

All in all, this event was a tremendous success. We hope to see you all again at California Small Business Day in the coming year.

## California Business Participation Grows with New Search System

Under the leadership of Governor Gray Davis' Executive Orders to enhance disabled veteran business enterprise (DVBE) and small business participation in California government contracting, the Department of General Services, Procurement Division, introduced a new on-line keyword search engine whereby certified DVBEs and small businesses can be located more easily. Using the Internet and keyword search technology, certified firms can now self-profile by using keywords that reflect their commodity, service, and/or construction offerings. State and local government buyers, contracting officials, and prime contractors can search by those keywords to identify a listing of certified firms to contact for various contracting and subcontracting opportunities. This new search system helps government agencies enhance their ability to address DVBE and small business participation goals. The results of any search can also be saved for mailing lists, labels, market research, etc. To access the new on-line keyword search engine, visit [www.dgs.ca.gov/osbcr](http://www.dgs.ca.gov/osbcr), "Certified Firm Inquiry Services."

## Proposed Small Business Regulations

A cross-functional and cross-divisional team within the Department of General Services was hard at work during the past year crafting a brand new set of regulations to govern the Small Business Certification and Preference programs to replace the old regulations in their entirety. The new regulations are intended to be clearer and more concise than the old ones that have become somewhat unwieldy just with the passage of time and the myriad of changes that have occurred through the years.

The proposed regulations consist of three documents and are available at the Department of General Services, Procurement Division (PD) offices in Sacramento and Fullerton. In addition, these documents are also available for view or download from the PD's Internet website at [www.dgs.ca.gov/pd](http://www.dgs.ca.gov/pd) under "Publications."

# The Small Business Advocate Network

In January 1999, Assembly Bill (AB) 2405, introduced by Assemblymember Lynne Leach (R-Walnut Creek), became law. It requires state agencies with an annual contracting program of \$100,000 or more to appoint a small business advocate to act as a liaison for small businesses.

Among other duties, state agency small business advocates are responsible for:

- Making contract solicitation information available to and considering offers from capable certified small businesses;
- Ensuring small businesses are paid in a timely manner;
- Whenever practicable, considering offers from certified small businesses that hold California Multiple Award Schedules (CMAS) prior to placing an order;
- Identifying and implementing innovative acquisition processes to further small business participation; and
- Appropriately preparing solicitations for simplification, efficiency, expedience, and cost effectiveness of response.

Although this statute does not require the small business advocate to advocate for the Disabled Veteran Business Enterprise (DVBE), many of the advocates serve as both the DVBE and

small business advocate for their agency. The network proves to be an important element to champion for and promote small business and DVBE participation within their respective agencies.

The Small Business Advocate Network, under the auspices of the Department of General Services, Procurement Division (PD), usually meet on a quarterly basis. The meetings are structured to be informative and educational. Our goal is to provide the advocates the tools to be effective.

If your agency has not identified a small business and/or DVBE advocate, we urge you to comply with AB 2405. Please submit your contact information to Elosia Stratton of the Procurement Division at [elosia.stratton@dgs.ca.gov](mailto:elosia.stratton@dgs.ca.gov).

## Small Business Participation in State Prisons

In April 2000, the Department of General Services, Small Business Opportunity Program (SBOP) within the Procurement Division (PD), conducted their first visit to a California state prison. Old Folsom and the Sacramento State Prison were the first sites to be visited. These visits were the first of many, as the SBOP planned to meet with each small business advocate as well as with all major purchasing entities within each prison to discuss their level of small business and disabled veteran business enterprise (DVBE) participation in their contracting. There are 33 state prisons statewide and each has their own small business advocate. The SBOP completed their initial visits to all California state prisons in November 2000. The number of attendees at these meetings ranged from three to 20 employees, all of which were directly involved in the purchasing process. The discussion covered strategies for meeting the 25% goal with small businesses and the 3% goal with DVBEs. The SBOP also provided information on the PD's endeavors that will ultimately assist the prisons in meeting their mandated purchasing goals.

The meetings were met with a great deal of enthusiasm by the attendees. In all instances, it was found that personnel in each facility needed up-to-date information. The SBOP staff members continue to serve as resources to assist prison contracting personnel on an ongoing basis to answer questions and provide information relating to all services offered by the PD. It was also found that approximately 50% of the prisons do not have Internet access and, therefore, lack easy access to a number of online resources that are available. The SBOP staff members will continue to serve as informational conduits until the Internet problem is resolved within California Department of Corrections (CDC). The SBOP can be reached at (800) 559-5529 or (916) 445-5269.

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*The Business Advocate is published at no charge and provides advocacy outreach and information pertaining to the participation of California certified small businesses and disabled veteran business enterprises in government contracting and acquisitions.*

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# State Contracting Recognition Awards 2000

The first annual State Contracting Recognition Awards ceremony was held on the morning of September 6, 2000, at Vizcaya in Sacramento to recognize the outstanding achievements of seven state agencies. The seven state agencies developed and implemented effective programs to promote increased contracting opportunities for small and disabled veteran-owned businesses. In attendance were Clothilde V. Hewlett, Undersecretary, State and Consumer Services Agency, executives from the Department of General Services, Procurement Division (PD), and executives and representatives from the seven organizations that were being recognized.

The Department of General Services (DGS) established the recognition and awards program in response to Assembly Bill (AB) 2405, which was authored by Assemblymember Lynne Leach (R-Walnut Creek), and became law on January 1, 1999. The statute

requires the DGS to establish a recognition and awards program for state employees who make an outstanding contribution to the state's overall effort to increase the level of small business participation in state contracting. Although not required, the program also recognized state agencies that made strides towards increasing opportunities for disabled veteran-owned businesses. Each agency is also required to appoint a small business advocate from existing resources. The small business advocate's responsibilities include working with contracting and purchasing professionals within his or her respective agency to identify and promote opportunities for small business firms to compete for state contract awards.

AB 2405 was just one of several bills sponsored by the DGS to promote small businesses. All of the bills (AB 2405, AB 2275, and AB 835, 1998 session) passed with strong bipartisan support, and became effective on January 1, 1999. One year later, on January 1, 2000, Governor Gray Davis signed Senate Bill (SB) 1049 (Murray), into law, greatly strengthening AB 835 by raising the ceiling from \$2,500 to \$5,000, above which competition is required. It also raised the amount that can be contracted with a certified small business, so long as at least two price quotations have been obtained from certified small businesses, from \$50,000 to \$100,000. All of the statutes are clear statements that the State of California is serious about its commitment to improving opportunities for small businesses to participate in state contracting.

After carefully reviewing 20 nominations, a panel of judges from the private sector as well as professional organizations selected the seven awardees. The panel's final selections resulted in one first-place awardee (the Gold Award), three second-place awardees (the Silver Award), and three third-place awardees (the Bronze Award). In making their selections, the panel placed particular emphasis on assessing the relative ease with which each recipient's program could be replicated by other departments.

The judges' selections were difficult to make as all of the nominations submitted were outstanding, including those that were not selected for this year's awards. All of the nominations submitted for the judges' consideration provided a positive indication that the state's activities in increasing opportunities for small and disabled veteran-owned businesses in state contracting are moving in the right direction.

The Gold Award was presented to the Prison Industry Authority (PIA) for developing its "Prison Industry Authority's Game Plan" and a "Small Business Tool Kit," that was designed to facilitate carrying out the plan. Both the plan and tool kit achieved impressive results, increasing service contract awards to small businesses from \$1,300,477 in Fiscal Year 1998/1999 to \$3,288,161 for the first nine months of Fiscal Year 1999/2000. Awards to disabled veteran-owned businesses also increased from \$68,959 to \$665,175 for the same time period.

Three organizations, the California State Lottery, the Department of Corrections' Avenal State Prison, and the Office of Real Estate Appraisers, each received a Silver Award.

The California State Lottery's (Lottery) Silver Award was presented for its "Small Business Utilization and Monitoring Process." The Lottery has had this process in place for over 14 years, accounting for roughly \$500 million in small business participation in its contracting activities since the program's inception. Prime contractors are encouraged to use small businesses in the performance of their contracts, and the Lottery's contracting staff monitors progress payments to ensure that small businesses receive work as subcontractors under the prime contracts.

The Silver Award to Avenal State Prison was for its "Small Business/Disabled Veteran Business Enterprise Award Program," a system that requires thorough review of all purchases valued at up to \$49,999 to ensure small and disabled veteran-owned businesses are given equal consideration. This program resulted in 35 percent



participation by disabled veteran-owned businesses during Fiscal Year 1999/2000. This is substantially higher than the three percent participation required of every state agency by law. The program also created greater participation by small businesses.

The Office of Real Estate Appraisers' Silver Award was for the organization's influence on the DGS, PD's Office of Small Business Certification and Resources (OSBCR) to develop an effective flyer that could be used by every agency to provide information to the small business community about the state's small business program and the certification process. The Office of Real Estate Appraisers have used the flyer with an effective telephone follow-up campaign, establishing an effective link with OSBCR's home page to facilitate the referral of small businesses to the appropriate contacts for becoming certified. The organization's small business participation in its contracts increased from 8.9 percent as of April 1999 to 27 percent through March 2000.

Bronze Awards were presented to the Office of Risk and Insurance Management, the Office of Fleet Administration, and Folsom State Prison.

The Bronze Award to the Office of Risk and Insurance Management was for its strong executive support and commitment to increase opportunities for small and disabled veteran-owned

businesses to participate in state contracting. The direct involvement and support of the organization's Office Chief resulted in 59 percent small and disabled veteran-owned participation in its contracting activities for Fiscal Year 1999/2000.

The Office of Fleet Administration's Bronze Award recognized the organization's comprehensive training program to familiarize its state garage employees at all of its facilities in Northern and Southern California with the state's small and disabled veteran-owned business program and certification process. The training program was designed to heighten employees' awareness of the program and to increase their sensitivity to recognizing when a potential supplier could possibly become certified as a small or disabled veteran-owned business. This training program also teaches state garage employees how to use the OSBCR's website in order to identify potential small and disabled veteran-owned businesses for possible contract awards.

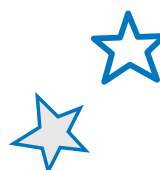
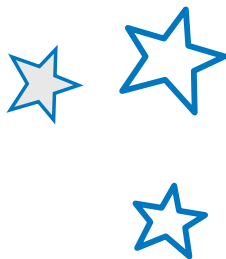
The Bronze Award to Folsom State Prison was for the institution's employee training program and use of a "Target Suppliers Bidders List" to facilitate identification of certified small and disabled veteran-owned businesses for contract awards. The training includes use of a "how-to" packet that focuses on ensuring that bid solicitations include mandated goals and compliance strategies for small and disabled veteran-owned business participation. To ensure that the "Target Suppliers Bidders List"

is current, the organization updates the list regularly. This list proved to be a great timesaving tool that resulted in increased awards to small and disabled veteran-owned businesses.

In Undersecretary Hewlett's opening remarks at the beginning of the awards ceremony, she shared her vision of a future where all state employees will understand the value and importance of small and disabled veteran-owned businesses and will act accordingly. She emphasized, "That is *all* state employees, because all of us are involved, either directly or indirectly, in the contracting and purchasing processes. This is true because we are all in the business ultimately of providing services to our customers - the citizens of California."

Undersecretary Hewlett also pointed out that the programs established by these first seven recipients of the State Contracting Recognition Award provide ample reason to be optimistic about the future of the state's increasing opportunities for small and disabled veteran-owned business participation in state contracting.

The first annual State Contracting Recognition Awards ceremony was a huge success. The 2001 State Contracting Recognition Awards ceremony was held on September 11, 2001. Watch for an upcoming article on this event in a future issue of "The Business Advocate."



## Business Community Training

The California Acquisition & Materials Management Institute (CAMMI) is a professional development function within the Department of General Services, Procurement Division. For more information about CAMMI, visit the Procurement Division website at [www.dgs.ca.gov/pd](http://www.dgs.ca.gov/pd), "CAMMI." CAMMI offers a course, free of charge, designed especially for business owners who want to do business with the state. It's called State Contracting 101: Tips for the Competitive Edge.

Whether you've bid on a few state contracts, but didn't fully understand the process, or you've never bid on state contracts, this course will give you a better understanding of the contracting process. Best of all, next time you submit a bid, you can do it with confidence.

Below is the 2001 schedule for this course:

<u>Location</u>	<u>Class Dates</u>	<u>Time</u>
Torrance	October 3-4	8:30 a.m. – 4:30 p.m.
Van Nuys	October 17-18	8:30 a.m. – 4:30 p.m.
Sacramento	November 14-15	8:30 a.m. – 4:30 p.m. <i>FULL</i>
Santa Ana	November 28-29	8:30 a.m. – 4:30 p.m.
Sacramento	December 12-13	8:30 a.m. – 4:30 p.m.

For more information, or to register for this course, please contact Georgia Welsh, Procurement Division at (916) 445-9384 or [georgia.welsh@dgs.ca.gov](mailto:georgia.welsh@dgs.ca.gov).

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## Business Community Workshop (BCW)

The State of California contracts out over \$6 billion every year to private businesses like yours. Find out how to be a part of these contracting opportunities by attending a free Business Community Workshop.

- You will be introduced to the vast contracting opportunities offered by the State of California.
- Learn where to find government contracting opportunities quickly and easily.
- Learn what a "DVBE" is and why knowing the answer may be vital to your state contracting success.

Below is the 2001 schedule for this course:

<u>Location</u>	<u>Class Dates</u>	<u>Time</u>
Sacramento	October 2	9:30 a.m. – 11:30 a.m.
Sacramento	October 9	9:30 a.m. – 11:30 a.m.
Woodland	October 13	8:30 a.m. – 10:30 a.m.
Santa Ana	October 16	6:00 p.m. – 8:00 p.m.
Merced	November 13	1:00 p.m. – 3:00 p.m.
Modesto	November 13	6:00 p.m. – 8:00 p.m.
San Diego	November 27	9:30 a.m. – 11:30 a.m.
Sacramento	December 4	9:30 a.m. – 11:30 a.m.

For more information, or to register for this course, please contact Lorraine Carrillo, Procurement Division at (916) 323-5460 or [lorraine.carrillo@dgs.ca.gov](mailto:lorraine.carrillo@dgs.ca.gov).

## **“The Business Advocate”**

is available to view or download at the  
Procurement Division website at  
[www.dgs.ca.gov/pd](http://www.dgs.ca.gov/pd) under “Small Business”

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